

ShroffConnect Weekly Report

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Current scenario & news

World markets

- European confidence in the economic outlook weakened for a third straight month in May as the region's worsening debt crisis and surging commodity costs clouded growth prospects
- U.S. lawmakers are weighing \$1 trillion in deficit-cutting measures as part of a possible deal that would allow an increase in the country's borrowing authority
- China's foreign exchange reserves increased by \$138 billion in the first quarter on hefty growth in the capital account surplus
- Japan's government bonds rise on concerns over U.S. growth, Greece debt

Indian markets

- The finance ministry has cleared the RBI's draft guidelines on new bank licences with a rider that the existing 74% cap on foreign direct investment be retained
- A panel of ministers may meet on June 9 to discuss raising prices of diesel, kerosene and cooking gas
- The food price index rose 8.55 % in the year to May 14, picking up pace from an annual rise of 7.47 % a week ago
- India received foreign direct investment (FDI) worth USD 3.39 billion during January-March, 2011, a decline of 32 per cent vis-a-vis the same period last year

Macro scenario

World markets

- Strengthening recovery
- Inflation
- Political unrest in Middle East
- Effects of Japanese earthquake

Indian markets

- High inflation
- Increasing interest rate
- GDP growth at 7-8%

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 28th May 2011	% Change
STOCKS	Australia	ASX	4760.33	(0.99)
	Brazil	Bovespa	64294.96	2.71
	China	Shanghai	2709.62	(5.20)
	France	CAC	3950.98	(1.00)
	Germany	DAX	7163.47	(1.42)
	Hong Kong	Hang Seng	23118.07	(0.35)
	India	Sensex	18266.10	(0.33)
	Japan	Nikkei	9521.94	(0.89)
	UK	FTSE	5938.87	(0.16)
	USA	DJIA	12441.58	(0.56)
COMMODITIES	Copper	\$/Pound	4.18	1.95
	Crude	\$/Barrel	100.75	0.84
	Gold	\$/Troy Ounce	1536.50	1.51
	Natural Gas	\$/MMBtu	4.52	6.10
	Silver	\$/Troy Ounce	38.02	8.41
	Aluminium	\$/Tonne	2625.00	5.00
	Lead	\$/Tonne	2505.00	(0.20)
	Nickel	\$/Tonne	23091.00	(1.91)
	Zinc	\$/Tonne	2274.00	5.72
CURRENCIES	GBP/USD		1.6506	1.71
	EUR/USD		1.4310	1.05
	AUD/USD		1.0709	0.48
	JPY/USD		80.79	(1.10)
	INR/USD		45.15	0.49
	HKD/USD		7.7803	0.07
	BRL/USD		1.5945	(1.73)
BONDS	2 Year	US Treasury	109.91	0.09
	10 Year		123.86	0.85
	30 Year		125.88	0.83

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 28th May 2011	% Change
STOCKS	Nifty	Large Cap	5476.10	(0.19)
	Sensex	Large Cap	18266.10	(0.33)
	BSE Midcap	Mid Cap	6730.36	(0.39)
	BSE Smallcap	Small Cap	8109.86	(0.92)
Some Major Shares	ACC	Rs/share	1000.20	0.75
	Bharti Airtel		372.90	(0.25)
	HDFC Ltd		656.30	(0.39)
	Infosys		2787.50	(2.19)
	L&T		1638.30	(0.84)
	Reliance Inds		945.45	2.41
	Tata Motors		1088.85	(6.83)
	Tata Steel		585.20	0.97
COMMODITIES	Aluminium	INR/Kg	119.00	5.54
	Copper	INR/Kg	417.70	1.61
	Crude	INR/Barrel	4554.00	1.07
	Gold	INR/10gms	22520.00	1.59
	Lead	INR/Kg	114.10	0.93
	Natural Gas	INR/1mmBtu	205.30	7.37
	Nickel	INR/Kg	1045.30	(1.86)
	Silver	INR/Kg	57505.00	7.93
	Zinc	INR/Kg	102.00	5.05
CURRENCIES	INR/EUR		64.60	1.52
	INR/GBP		74.38	2.00
	INR/100 JPY		55.86	1.60
	INR/USD		45.15	0.49

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS

USA ↓

Australia

Brazil

China

France

Germany ↓

Hong Kong

India

Japan

UK

COMMODITIES

Gold

Aluminium

Copper ↓

Crude Oil

Nickel ↓

Lead

Zinc ↓

Natural Gas

Silver

CURRENCIES (against USD)

AUD

BRL ↓

EUR

HKD

GBP

INR

JPY ↑

BONDS (US Treasury)

30 Year ↑

2 Year

10 Year

↑ = moved up from last week, ↓ = moved dn from last week

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES

Nifty
Sensex

Mid Cap
Small Cap

SECTORS

FMCG

Auto
Cons Durable
Healthcare
Metal

Bankex
Cap Goods
IT ↓
Oil & Gas ↓
Power
Teck ↓

Realty ↓

COMMODITIES

Gold

Silver

Aluminium
Copper ↑
Crude Oil
Lead
Natural Gas

Nickel
Zinc ↓

CURRENCIES (against INR)

EUR ↑
GBP ↑

JPY
USD

↑ = moved up from last week, ↓ = moved dn from last week

MAJOR LARGE CAP COMPANIES - TECHNICAL SNAPSHOT

	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
COMPANIES	Bharti Airtel ITC Nestle India	Hero Honda M R P L Petronet LNG	ACC Adani Ent Ambuja Cem B P C L BEL Cairn Cipla ↑ Grasim Ind H P C L HDFC HDFC Bank Hind Unilever Hind Zinc ICICI Bank Idea Cellular IOB M&M Maruti Suzuki MRF Power Grid Ranbaxy Siemens Sterlite Ind Suzlon Tata Chemicals ↓ Tata Motors	Andhra Bank Axis Bank Bajaj Auto ↓ Bank of Baroda ↓ Bank Of India Hindalco Jindal Saw Jindal Steel ↓ JP Associates JSW Steel LT ↑ O N G C PNB ↓ Reliance Ind Sesa Goa ↓ Tata Steel ↓ UCO Bank Union Bank <div>Neutral</div> Tata Power TCS Ultratech Wipro	Allahabad Bank ↓ Ashok Leyland Bhel ↓ Canara Bank ↓ GAIL ↓ Infosys Tech ↓ NTPC PFC Punj Loyd RCOM Reliance Infra SAIL ↓ SBIN Syndicate Bank ↓ United Spirits ↓

↑ = moved up from last week, ↓ = moved dn from last week

MAJOR MEDIUM & SMALL CAP COMPANIES - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
COMPANIES	Titan Ind		Colgate-Palm Dabur Divi's Lab Federal Bank HCL Tech IGL ↑ United Phosp ↑	Aditya Bir Nuv ↓ Apollo Tyres Asian Paints Bharat Forge Chambal Fert Cummins Dr Reddy Exide Inds Glenmark Ph GSPL Havells India Kotak Bank LIC Housing Lupin Mundraport OFSS SRF Sun Pharma Tech Mahindra Yes Bank	Biocon ↓ Crompton Gr HDIL IDBI Bank Indian Hotel Mphasis ↑ Reliance Cap Shriram Trans Sterlite Techn ↓ Tata Global	DLF GMR Infra ↓ HCC I D F C IFCI Jain Irrigation Patni Comp Piramal Health ↓ RECL Shr Renuka Sun Tv ↓ Voltas

↑ = moved up from last week, ↓ = moved dn from last week

Our opinion

- Money Flow: Out of stocks and into treasuries.
 - Opinion on Money Flow: The money seems to be flowing into treasuries, and out of stocks, though Gold seems to be outperforming.
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- Indian stocks: The market is correcting from its higher levels.
 - Sectors: Generally consumer goods shares are outperforming.
 - Positives: Selectively good corporate results.
 - Negatives: High interest rates, high inflation and pending petro price hike.
 - Opinion: The market is corrective and volatile. Macro factors remain negative. There is a fear of slowdown due to increasing interest rates and pending petro price hike. Investors should wait for a clear uptrend before investing and may book some profits on a rally.

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